

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6926

BILL NUMBER: HB 1098

NOTE PREPARED: Dec 31, 2010

BILL AMENDED:

SUBJECT: Regional water, sewage, or solid waste districts.

FIRST AUTHOR: Rep. Dodge

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☐ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: *Electronic Transfer.* This bill allows the board of trustees of a regional water, sewage, or solid waste district to adopt an ordinance to authorize the district to do one or both of the following through an electronic funds transfer method of payment: (1) pay claims owed by the district. (2) receive payments owed to the district.

Membership of a District Authority. The bill provides that a district authority established to hear evidence and make certain determinations concerning certain rate increases by a regional sewage district (1) must consist of an odd number of members; (2) must consist of at least three members; and (3) may not include as a member any trustee of the district. The bill amends provisions concerning the membership of an authority in (1) a district located in one county; and (2) a district located in more than one county; to conform to these requirements. A district with an existing authority whose membership does not comply with these requirements shall, not later than September 1, 2011, file with the Department of Environmental Management (IDEM) a petition that proposes for the authority a new membership that complies with these requirements.

IDEM. The bill requires IDEM to issue an order approving or disapproving each petition not later than December 31, 2011.

Rates. The bill conforms the standards that apply to an authority's determination in a case involving a rate increase to those that apply to a court's determination in an appeal in such a case, by requiring the authority to determine whether the district's board, in adopting the ordinance increasing the rates, followed the procedures required by the statute governing rates and charges in regional districts. If an authority makes any ruling other than to (1) sustain the ordinance establishing the rates; or (2) sustain the petition objecting to the rates; the ruling must comply with the statute defining just and equitable rates for a district.

Liens Against Property. The bill amends a provision that provides that liens against property served by a district are established and enforced in the same manner as provided in the statute governing municipal sewage works, in order to cross reference additional applicable provisions in the statute governing municipal sewage works.

Effective Date: Upon passage; July 1, 2011.

Explanation of State Expenditures: *IDEM.* The bill requires IDEM to issue an order approving or disapproving each petition not later than December 31, 2011. This provision will increase administrative expenses for IDEM. It is not anticipated that IDEM will require additional resources in order to issue orders.

Explanation of State Revenues:

Explanation of Local Expenditures: *Electronic Transfer.* Use of electronic funds transfer method of payment will reduce administrative expenses of the districts by an indeterminable amount. The impact will vary from district to district.

Membership of a District Authority. A district with an existing authority whose membership does not comply with the requirements of the bill must file with a petition that proposes for the authority a new membership that complies with these requirements. The impact of this provision will depend on existing local structures.

Rates. The bill conforms the standards that apply to an authority's determination in a case involving a rate increase to those that apply to a court's determination in an appeal in such a case. This provision would have an impact only if the authority would make a different determination because of the added consideration. The specific impact will depend on local action.

Liens Against Property. The bill amends a provision that provides that liens against property served by a district are established and enforced in the same manner as provided in the statute governing municipal sewage works, in order to cross reference additional applicable provisions in the statute governing municipal sewage works.

Explanation of Local Revenues:

State Agencies Affected: IDEM.

Local Agencies Affected: Regional Water, Sewage, or Solid Waste Districts.

Information Sources:

Fiscal Analyst: Bernadette Bartlett, 317-232-9586.